

A. W. POWELL, STATE CHAIRMAN
DEMOCRATIC CENTRAL COMMITTEE
SISSETON, SOUTH DAKOTA
June 17, 1938

Marriner S. Eccles
Chairman of Federal Reserve Board
Washington, D. C.

Dear Sir:

Owning and operating a small country National bank since 1918 through three depressions without a reorganization or preferred stock, I have read with a great deal of interest your statement relative to bank examinations.

I was an acting National Bank examiner in the Reorganization Division of the Comptroller's Office at Washington during most of 1933. From the experience gained there and as a country bank owner I feel you have correctly stated the situation in your statement.

"In my judgment, one reason that bank credit is not flowing adequately into productive business channels is that the banks are under too severe restrictions in their lending and investing operations.

"As to loans, many would-be borrowers cannot get deserved accommodation by the bank - not because bankers are necessarily at fault, but because of restrictions placed on them."

I am sending a carbon copy of this letter to our mutual friends from South Dakota, Senators Hitchcock and Bulow.

Very truly yours,



A. W. Powell, Chairman
South Dakota Democratic
State Central Committee

AWP:FW
CC-Senator Bulow
Senator Hitchcock

Cashier, Roberts County National Bank

June 23, 1938

Mr. A. W. Powell, State Chairman
Democratic Central Committee
Sisseton, South Dakota

Dear Mr. Powell:

This is to thank you for your letter of June 17 with reference to bank examinations.

I was particularly interested in having your comments in view of your previous experience as a national bank examiner and the owner of a country bank. Your views confirm those that have come to me from a large number of bankers in all parts of the country, and are reassuring to those of us here who are trying to bring about some constructive changes in the interest of recovery.

I very much appreciate your courtesy in writing.

Very truly yours,

M. S. Eccles,
Chairman.

ET:ead

Received in
Chairman's Office
JUN 20 1938
Board of Governors
of the
Federal Reserve System